United Nations A/57/332

General Assembly

Distr.: General
21 August 2002

Original: English

Fifty-seventh session
Item 90 of the provisional agenda*
Operational activities for development

Pledging mechanisms to fund operational activities for development of the United Nations system

Report of the Secretary-General**

Summary

The present report responds to paragraph 26 of General Assembly resolution 56/201 of 21 December 2001 on the triennial comprehensive policy review of operational activities for development of the United Nations system, which requested the Secretary-General to submit for consideration at the fifty-seventh session of the Assembly, a report presenting options alternative to the current modalities of the annual United Nations Pledging Conference for Development Activities, including a regular pledging event. After analysing the modalities and functioning of the annual Pledging Conference and its effectiveness, the report addresses the funding sessions convened under the multi-year funding frameworks (MYFFs) and their performance as pledging mechanisms. The report also identifies a few options alternative to the current arrangements. These recognize new opportunities for initiatives that may multiply the efforts to mobilize resources for operational activities for development, while strengthening the dialogue on these issues. A number of criteria are also suggested to assist the Assembly in selecting the most suitable arrangements.

* A/57/150.

** The report was submitted late to the conference services since it had to be finalized taking account of the work and conclusions of the operational activities of the United Nations for international development cooperation segment of the substantive session of 2002 of the Economic and Social Council, which took place in July 2002. The report was prepared in close consultation with the United Nations funds and programmes.

02-53369 (E) 181002

Contents

		Paragraphs	Page
I.	Introduction	1–2	3
II.	Funding events and the United Nations Pledging Conference for Development Activities	3–23	3
III.	Multi-year funding frameworks and their pledging component	24–37	6
IV.	Conclusions and recommendations	38–55	7

I. Introduction

1. The present report responds to the provision of paragraph 26 of General Assembly resolution 56/201 of 21 December 2001 on the triennial comprehensive policy review of operational activities for development of the United Nations system, in which the Assembly requested the Secretary-General to submit, for consideration at its fifty-seventh session, a report presenting options alternative to the current modality of the annual United Nations Pledging Conference for Development Activities, including a regular pledging event.

2. The General Assembly requested that the report take into account the funding sessions convened under the multi-year funding frameworks (MYFFs) and the needs of other agencies of the United Nations system. It also called for adequate consideration of the appropriate timing of these pledging events. Finally, it requested that these options be conceived in their role of enhancing public support for operational activities for development of the United Nations.

II. Funding events and the United Nations Pledging Conference for Development Activities

3. Before 1977, it was common practice in the United Nations to organize pledging events for individual funds and programmes or for specific purposes. As part of an overall restructuring of the economic and social sectors of the United Nations system, the General Assembly, in its resolution 32/197 (annex, para. 31) of 20 December 1977 on the restructuring of the economic and social sectors of the United Nations system, decided to consolidate these pledging events into a single annual United Nations pledging conference for all United Nations operational activities for development. This new pledging mechanism was intended to advance the goal of increasing the resources for operational activities for development on a predictable, continuous and assured basis. The Pledging Conference was expected to induce peer pressure among donors, thereby generating a resource mobilization effect.

Modalities and functioning

4. In 1979, the General Assembly established rules and procedures for the pledging conferences. The United Nations Pledging Conference for Development Activities became a regular annual event, which took place early in November during the regular session of the Assembly. Initially, the Pledging Conference included three meetings over a period of two days, and its organization and servicing were, and still are, supported with resources drawn from the Second Committee. The Secretary-General or his representative opens the Pledging Conference.

5. The annual United Nations Pledging Conference for Development Activities serves as the sole mechanism through which Member States may announce pledges at the same time for a large number of funds and programmes.[1] A separate pledging conference takes place for the World Food Programme (WFP), which normally occurs back to back with the United Nations Pledging Conference for Development Activities and follows the same rules and procedures.[2] Before the introduction of MYFFs, the annual Pledging Conference was the only occasion where Member States gathered, announced pledges and made comments on issues related to funding of United Nations operational activities as a whole, even though not all resources were pledged at the Pledging Conference.

6. The initial modality of the Pledging Conference required, after the election of officers and the adoption of the agenda, that Governments' statements about their pledges be heard, followed by statements of the executive heads of the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) as well as other executive heads. Before closing, the Conference used to adopt a Final Act and representatives of each Government were called upon, in alphabetical order, to sign the pledge and the Final Act in the presence of the President and other officers of the Pledging Conference. As an accepted practice, additional pledges could be submitted in writing after the Pledging Conference was completed in order to accommodate the various budgetary schedules of all Member States.

7. That modality was partly modified in 1990, in General Assembly resolution 45/215 of 21 December 1990, which simplified the administrative arrangements

by replacing the written pledges and the formal signing of the Final Act with verbal pledges and the adoption of a simple report of the Pledging Conference, shortening the Pledging Conference itself to one day.

Effectiveness of the annual Pledging Conference

8. After more than 20 years, the value of this pledging mechanism has come to be questioned, even though there is no formal monitoring system to track performance in terms of actual attendance of donor countries in the pledging events, or their incidence in the resource mobilization efforts of individual organizations of the United Nations system. Some Member States have also questioned the validity of this pledging mechanism, since it does not bring any consideration of the use of resources vis-à-vis the objective pursued by the individual organizations. Before 1990, the Pledging Conference was an accepted mechanism for mobilizing resources to support operational activities for development with there being no clear evidence of a desire to change it.

9. Nevertheless, the modifications introduced in 1990 gave an indication that the original modalities had not been regarded as completely satisfactory, since that reform, in the search for better results and more interest among donors and developing countries, attempted to reinvigorate the Conference. With the new modalities, the meeting became less formal and more suitable for engagement in more active discussions by Member States. However, since then, both the level of participation by donor countries and the proportion of the total core or regular resources of the main funds and programmes pledged through the Pledging Conference have continued to decline.

10. It is now generally recognized that the long-term performance of the United Nations Pledging Conference for Development Activities has not met the original expectations. The Pledging Conference has not been able, either globally or for individual organizations, to mobilize sufficient regular resources. The long-term stagnation of funding for operational activities in the 1990s has tended to make it increasingly ineffective. The difficulties encountered by individual organizations in the same period indicate that this applies also to the mobilization of resources for each agency.

11. The table shows that the contributions to UNDP core resources fell 40 per cent from their peak of $1,074 million in 1992 to $634 million in 2000, a historic low. The UNICEF regular resource level of 2000 from all sources fell 4 per cent from its peak in 1999, and the agency has experienced a 20 per cent contraction in the regular resource support from Governments alone since the peak of government support in 1992. The UNFPA regular or core resource level of 2000 also contracted 24 per cent as compared with its peak of $312 million of 1996. This rapid erosion of the resource base of the United Nations operational activities for development was a direct result of the declining trend in official development assistance (ODA). Several studies[3] have revealed that the multilateral and voluntary nature of the United Nations operational activities made them prone to volatility when the general ODA was on the decline.

Contributions of Governments and other sources to the regular or core resources

(Millions of United States dollars)

	UNDP	*UNFPA*	*UNICEF*	*WFP*
1992	1 073.8	233.2	548.0	[a]
1993	909.0	217.0	509.0	[a]
1994	942.8	254.5	535.0	[a]
1995	911.0	305.0	537.0	[a]
1996	854.8	312.0	551.0	480.0
1997	766.6	285.0	547.0	348.8
1998	757.0	268.9	571.0	327.6
1999	681.3	244.1	589.0	1 512.6[b]
2000	634.1	256.4	563.0	1 532.1[b]

[a] No breakdown data on core resources available.

[b] The apparent increase in 1999 and 2000 is largely due to a change of rules for the definition of regular resources in WFP.

12. Although these trends can hardly be attributed to the malfunctioning of this pledging mechanism, it can be argued that the annual Pledging Conference has not performed as expected or, at least, has not been able to reverse those negative trends.

13. Not only have total resources mobilized for funds and programmes continued to stagnate but the proportion directly raised through the Pledging Conference has become marginal, especially after the

MYFFs had been adopted by the Executive Boards of UNDP/UNFPA and UNICEF. For UNFPA, for example, the total amount of resources raised through the Pledging Conference before 1999 accounted for between 20 and 30 per cent of the total funding of that organization, but for 2000 and 2001 that proportion declined to 0.71 per cent and 0.9 per cent respectively. Preliminary projections for year 2002 indicate that funds raised through the Pledging Conference of November 2001 will account for only 0.04 per cent of the total amount of contributions raised by UNFPA. Out of the 121 countries that pledged to UNFPA, only 25 announced their pledges at the Pledging Conference. Similar scenarios hold for UNDP and UNICEF. Likewise, the last United Nations/FAO Pledging Conference for WFP in November 2000 resulted in pledges of only $3.9 million, against a biennial target of $2.6 billion, that is to say, less than 1 per cent of the target. This is the reason given by the Executive Board of WFP in its decision WFP/EB.A/2002/10 for requesting that the General Assembly cease convening pledging conferences for WFP. The request reiterated that contained in a previous decision of the Board (WFP/EB.3/2000/13), which stated that "Pledging conferences have outlived their usefulness and should cease to be convened".

14. It has been recognized that funding of operational activities is increasingly concentrated on thematic programming through particular agencies, in many cases specific to regions and subregions, and this trend confirms that funding of those agencies takes place outside the Pledging Conference mechanism.

15. As the MYFFs were adopted in late 1999 and during 2000 as a full-fledged system integrating programme objectives, budgets, results and resources for UNDP, UNFPA and UNICEF, member States of the European Union (EU) stopped making pledges at the annual Pledging Conference, claiming that the Pledging Conference format was inefficient and should be replaced by another funding mechanism. Other donors (Australia, Canada, Iceland, Switzerland, Turkey and the United States of America) expressed similar views, claiming that the Pledging Conference duplicated other funding processes.

16. The causes of this ineffectiveness are threefold. First, in recent years, donors have tended increasingly to link their financial contributions to results, programme performance and aid effectiveness. Since the Pledging Conference does not provide any mechanism for tracking performance in the use of resources, comparison of planning scenarios or allocation of resources by objectives or result-oriented reporting, donors tend to consider "pledging" alone an incomplete exercise.

17. Second, the recently established MYFFs and the reformulated resource mobilization strategy for WFP, which donors are closely involved in and are willing to continue working on, cast further doubt on the potential usefulness of the annual Pledging Conference in the way it has so far been organized.

18. Lastly, the expected peer pressure that should have encouraged each donor to make pledges in the Pledging Conference by taking account of the possible reactions of the other Member States has in practice turned out to be a non-factor. Contributions are decided thousands of miles away from New York on the basis of complex considerations, and the practical influence of the "peer pressure effect" on those considerations seems to be very limited.

19. The Pledging Conference has recently lost the support and meaningful participation of most major donors. In general, participation in the Conference has continued to decline. At the last Pledging Conference for Development Activities of 7 November 2001, only 61 countries[4] attended. Very few donor countries were present at the meeting[5] and none of the major donor countries made any pledges. Countries that made pledges were India, Myanmar, Thailand, Tunisia, Morocco, Maldives, Mongolia, Egypt, Algeria, the Russian Federation, Bolivia, Cuba, Mauritania, Jordan, Bhutan, Djibouti and Saudi Arabia.

20. The format of the Pledging Conference is considered outdated and, apart from the concerns about duplication and inefficiency, its modalities are often considered rigid and its timing inconvenient or incompatible with the budgetary cycles of major donors.

21. Although the decline in attendance at the annual Pledging Conference cannot be blamed for the trends in funding for operational activities, it is indicative of the fact that the effectiveness of the Pledging Conference for Development Activities as a mechanism to raise funds has been seriously undermined and that the Pledging Conference has failed to galvanize political support and mobilize adequate resources for most funds and programmes, signalling that there is a need for reforms in this area.

22. The United Nations Pledging Conference for Development Activities covers a large number of organizations,[6] while existing MYFFs have been introduced by a limited number of funds and programmes. Nevertheless, the poor performance of the annual Pledging Conferences applies not only to organizations such as UNDP, UNICEF and UNFPA, which have adopted the MYFFs but across the board, with no distinction of target funds or organizations contemplated in these annual meetings. The latest two editions of the Pledging Conferences show that traditional donors did not submit pledges not only to the big funds and programmes but also to the other funds. Only minor non-traditional donors (that is to say, developing countries) have been using these annual meetings to announce their pledges for all funds and programmes, although they represent a minor and marginal fraction of the funding of those entities.

23. It should also be recalled that, being part of the regular session of the General Assembly, the Pledging Conference has a major institutional visibility and potentially offers the widest participation to all States Members of the United Nations. Indeed, many Member States view this pledging mechanism not only as an activity to generate resource flows but also as an occasion that has a political value as well, taking place as it does during the Assembly. Moreover, as noted in paragraph 31 of the annex to Assembly resolution 32/197, from this perspective the Pledging Conference does not exhaust all options for resource mobilization, but should be seen "without prejudice to other arrangements for mobilizing additional funds for particular programmes through other measures or from other sources and subject to provision being made for the earmarking of contributions for specific programmes".

III. Multi-year funding frameworks and their pledging component

24. In response to General Assembly resolution 50/227 of 24 May 1996 and Economic and Social Council resolution 1997/59 of 24 July 1997, the United Nations funds and programmes carried out reviews of their funding strategies and resource mobilization mechanisms. Following the Secretary-General's reform plan of 1997, the review eventually led to the launch — as a pilot — of the MYFFs. The Executive Boards of UNDP/UNFPA and UNICEF provided guidance in the formulation of their MYFFs and their adoption[7] for a four-year cycle, with the aim of increasing their core resources on a predictable, continuous and assured basis. The Executive Board of WFP approved its own governance tools in October 2000 with all the elements comparable with those of the MYFFs, though they do not bear the same name.

25. Despite their slight variances, all MYFFs have in common the aim of increasing core resources and enhancing the predictability of funding by seeking to integrate programme objectives, resources, budgets and outcomes (or results). In the case of UNDP and UNFPA, the MYFF consists of a results framework and an integrated resource framework. It is not merely a resource mobilization mechanism but also a strategic management tool, which utilizes the annual result-oriented report and other management tools as a means to assess the strategic performance of the organization concerned. Representing the aggregate of the countries' demand for support, the MYFF exercise enables Member States to examine funding needs of the organization together with the effectiveness and impact of its programmes.

26. Although the UNICEF multi-year funding framework specifies its component elements in a different way (entailing the four-year medium-term strategic plan, the biennial support budget, an analytical annual report by the executive head, a pledging conference and consultations with Governments), it has the same goal and approach as the other MYFFs.

27. One element of the MYFFs is an annual funding meeting, which does not, however, have the prominence of the annual Pledging Conference of the General Assembly and little attention is given to the way in which pledges are communicated to the organization concerned.

Performance of MYFFs as pledging mechanisms

28. Implementation of MYFFs by UNDP, UNFPA and UNICEF, at least in 2001, may have prevented the regular resources from further sliding, although the picture in 2002 appears to be mixed, with UNDP currently projecting a slight increase of regular funding over 2001[8] and UNFPA registering a decline of 12 per cent in its regular budget.

29. As in the case of the Pledging Conference, the effectiveness of the MYFFs cannot be assessed on the basis of trends in funding for operational activities alone, since these trends may reflect factors that are external to their functioning.

30. Nevertheless, MYFFs have proved to be dynamic mechanisms that have attracted a considerable number of donors in their respective pledging processes. In the case of UNDP, 26 countries increased their contributions in 2001. In 2002, at least 24 countries have raised their pledged commitments to regular resources, showing in many cases sustained increases for two to three years. It is anticipated that at least 11 Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) donors will increase their contributions in 2002 in local currency terms although 1 donor reduced its contribution this year. In terms of predictability of funding, 11 countries have made indicative pledges for 2003 and 4 countries for 2004. In all cases, the amount pledged for 2003 and 2004 is at least at the same level as that of 2002 (subject to government or parliamentary approval).

31. As regards UNFPA, the total flow of contributions forecast for 2002 amounts to $310.9 million, which includes regular resources at $235.9 million, in other words, a decrease from 2001 equal to $32.8 million (12 per cent). Among the top 16 donors contributing to this organization with 1 million dollars and above, 2 countries have not made formal pledges yet, 8 countries have increased the level of contributions in both national currency and United States dollar terms and 3 countries have maintained their contributions at the 2001 level in national currency terms. Two countries have decreased their pledges and one donor has decided to withdraw its contribution.

32. In the last pledging event of UNICEF, in January 2002, 51 countries pledged or indicated tentative pledges, which includes 20 donor countries and 31 programme countries. Forty-three Governments gave firm pledges of which more than a quarter increased their contributions in 2002. Of these increases, eight members of OECD/DAC indicated increases and four of these increased by 7 per cent or more.

33. Compliance with payment schedules has also registered some improvement in the cases of all three funds and programmes following the adoption of the MYFFs.

34. In spite of these positive effects of MYFFs, the reversal of a declining trend and a slight growth in the regular or core resources of the funds and programmes, the pledges still remain far below the targets set by the Executive Boards. Regular resource funding needs to be significantly increased if the funds and programmes are to deliver results that are commensurate with the development challenges of the new millennium.

35. Nevertheless, the introduction of MYFFs represents a critical first step in revitalizing the broader commitment to regular resource funding. While non-core funding is clearly an integral part of the available resources and supplements, in many ways, but is not a substitute for the inadequate regular resources, one of the underlying principles of the MYFFs is to recognize the fundamental importance of a sustained increase of regular resources and of the need to promote multi-year pledging to enhance predictability of funding.

36. While it may be too early to make any conclusive judgement on the effectiveness of the MYFFs in raising resources, there are concrete signs that political support to the MYFF system is building up as several Member States have made multi-year pledges and the dialogue between them and the concerned funds and programmes around funding, programmes and results is improving.

37. It should be noted that MYFFs are not adopted by all United Nations funds and programmes, or most of the remaining organizations of the United Nations development system. Moreover, the pledging event of individual MYFFs regards the funding situation of one organization only and does not allow for a comprehensive policy exchange on funding for operational activities for development of the United Nations system as a whole.

IV. Conclusions and recommendations

38. During the 2001 triennial comprehensive policy review of operational activities for development of the United Nations system, diverging views were expressed about the abolition or continuation of the annual Pledging Conference and about the capacity of the MYFFs to replace it through their pledging events. The General Assembly requested the Secretary-General

to identify options alternative to the current modality of the annual Pledging Conference.

39. The debate thus far has focused on two alternatives: on the one hand, there is the view that the annual Pledging Conference is no longer an acceptable mechanism since it does not link "pledging" announcements with the assessment of development cooperation programmes or results obtainable through the use of those resources. Therefore, MYFFs are suggested as the most suitable alternative. Such a position seems to be based on the implicit assumption that the pledging event is merely a process of communicating a financial commitment, and this communication does not require the formality or publicity involved in the Pledging Conference.

40. On the other hand, it has been stressed that the Pledging Conference has a political value, as a potential vehicle through which to draw the attention of policy makers, media and eventually interest groups of both donors and recipient countries through a policy exchange on funding operational activities for development of the United Nations system. These aspects of visibility and political impulses are not necessarily associated with the current MYFFs, even if the latter present clear advantages as mechanisms for strategic planning and multi-year funding of individual organizations.

41. Clearly, an effort needs to be made to bridge these divergent views by developing approaches that could encompass the two key elements of political visibility and programmatic accountability. Indeed, recent efforts by United Nations funds and programmes to promote public initiatives that address resource mobilization in a wider context indicate that there is room for events other than those internal to MYFFs to increase awareness for sustained action in resource mobilization, even though these additional events may or may not have a concrete "pledging" dimension. A typical example is the ministerial meeting that UNDP organized in September 2000 in conjunction with the Millennium Summit. The campaign for the millennium development goals is another example of an initiative that has a clear resource mobilization dimension for development, based on collaboration with a wide range of partners, extending well beyond the United Nations system, mobilizing their commitments and capabilities, building awareness and galvanizing public opinion in support of action on priorities, policies and resource allocations.[9] Finally, the follow-up to the International Conference on Financing for Development, held in Monterrey, Mexico, may open new paths for the mobilization of resources in the broader context of development financing for United Nations system operational activities for development.

42. **It is clear that the existing annual United Nations Pledging Conference for Development Activities, which has been in existence since 1979, has not been effective. The General Assembly may therefore wish to consider alternative mechanisms that take into consideration the positive aspects of the current mechanism as well as the need to introduce ways of linking resource mobilization to performance assessment.**

43. In looking at possible alternatives, it may be useful to bear in mind the following criteria:

- The arrangements should be planned within the context of United Nations priorities (implementation of the millennium development goals, and follow-up to the outcomes of major United Nations conferences, such as the Monterrey Consensus of the International Conference on Financing for Development[10]) and also linked to specific development issues.
- They should take into account the need for a multi-year perspective in funding of operational activities with the preparatory process following the practice of results-based reporting adopted for the existing MYFFs.
- There is the need to ensure that there would be high political and public visibility, involving all the key stakeholders from Governments, the United Nations system and other sectors, as well as a commitment of the major actors in resource mobilization and allocation.
- Any new arrangements should not be focused solely on pledging of resources but should also address the effectiveness of operational activities for development, combining sustained advocacy with demonstration of results.
- As the participation of key officials from the ministries of finance and development would be crucial, the new arrangements should be linked to ministerial meetings associated with the General Assembly and Economic and Social Council or high-level meetings organized at the individual agency level.

- Prior consultations should be held with Member States, at the policy and technical levels, to prepare for such events with the primary objective of generating support for specific priority development issues.
- The new arrangements should take account and address the needs of all the organizations of the United Nations system.

44. With the above criteria in mind, the General Assembly may wish to consider the following alternative arrangements and mechanisms.

A series of pledging events under the MYFFs within a single time frame

45. **A series of separate pledging sessions could be held sequentially under the MYFFs for UNDP, UNFPA and UNICEF in a single time frame. The event could be organized in the context of a joint meeting of the Executive Boards of UNDP/UNFPA and UNICEF or as part of each individual Executive Board meeting within a harmonized time frame. A fourth session could be organized for those funds and programmes that do not yet have MYFFs. The pledging event would continue to be an integral part of the MYFF process and of the dialogue on programmatic results.**

46. The organization of pledging events under MYFFs in a single time frame as part of the annual sessions of the Executive Boards would reinforce the political support of Member States as well as attract more support from major donors who are likely to make pledges of financial support when resources are seen as directly related to the achievement of results over a multi-year period.

47. While the MYFF approach is not yet universally adopted by all organizations, with only a few having done so to date, the introduction of the proposed option would be expected to encourage other programmes and funds to adopt the MYFF concept as well.

48. It should be noted that funds and programmes resort to additional resource mobilization efforts beyond the MYFFs. These include the convening of ministerial or other high-level meetings; visits to donor capitals by the executive heads; annual policy and programme consultations with donors; and advocacy at national, regional and international forums.

High-level events involving the larger community of international development cooperation

49. The series of pledging events proposed above under the MYFF mechanism should not exclude the adoption of other options, which would increase awareness and generate political support for resource mobilization. **The General Assembly may therefore wish also to consider an event or events that would serve as a high-level forum within the United Nations where development cooperation issues, the funding of operational activities for development of the United Nations system and the impact and effectiveness of development assistance could be debated in an integrated and holistic manner**. Such an option would recast and reinvigorate the original purpose behind the annual Pledging Conference and allow for a wider participation by Member States. It would provide a platform for policy dialogue on the complementarity between funding of operational activities of the United Nations funds and programmes and other sources of development funding and their integration with domestic efforts to finance development.

50. The participation of high-level government representatives and of the executive heads of United Nations funds and programmes, as originally envisaged for the Pledging Conference, would be important. Such events would also have a strong advocacy dimension to help generate the required political support at the highest level and include a role for civil society. It could also be highly publicized through extensive media coverage. The fundamental aim would be to put in place a relevant and effective arrangement that would offer a more appealing option for increased voluntary contributions in support of operational activities. **The event or events proposed could take place within one or more of the following formats.**

Operational activities of the United Nations for international development cooperation segment of the Economic and Social Council

51. Since 1995, the Economic and Social Council has reviewed annually the progress in the implementation of the General Assembly resolution on the triennial comprehensive policy review. There is a broadly shared

view among some Member States that the oversight role of the Council in monitoring the resources situation of the United Nations funds and programmes should be further strengthened. Indeed, the Assembly has mandated the Council to monitor their resource situation.[11]

52. **The General Assembly may wish to consider mandating the Economic and Social Council to devote one session of the high-level meeting of the operational activities of the United Nations for international development cooperation segment to serving as an event where a substantive dialogue on funding of operational activities could take place. The rest of the high-level meeting of the operational activities segment could be devoted to a high-level policy exchange on development cooperation issues, focusing on policies, effectiveness and outcomes of the operational activities**. This opportunity for combined debate on policies, results and resources could be in parallel with the proposed approach through the MYFF mechanism. The devotion of a visible, high-level event to the funding of operational activities could generate benefits for resource mobilization even though it might not include a "pledging" event in the traditional sense.

High-level event on funding for operational activities for development in the context of the General Assembly

53. **The creation of a high-level event under the aegis of the General Assembly would be an option that responds to the call for strong political visibility and for the participation of all Member States. Such an event could be held in conjunction with the triennial comprehensive policy review of operational activities for development of the United Nations system conducted by the Assembly**. This arrangement would have the advantage of giving renewed emphasis to the issue of resources as well as linking the consideration of funding issues with the debate on broader development cooperation policy and programme questions of the United Nations system.

54. **Another possibility would be to consider organizing a high-level event in conjunction with the biennial high-level dialogue on strengthening international economic cooperation for development through partnerships of the General Assembly**. This would have the benefit of placing the discussion of funding of operational activities within the broader context of trends and dynamics in financing for development. However, there is a potential risk of overloading this biennial high-level dialogue and this possible option should be considered in the context of the Assembly's deliberation on the report of the Secretary-General (A/57/388) on the high-level dialogue on strengthening international economic cooperation for development through partnership, which is being submitted to the Assembly at its current session. **Member States may also wish to discuss the issue of funding for operational activities during the Assembly's deliberations on the Secretary-General's report (A/57/270) on the implementation of the United Nations Millennium Declaration**.

55. **The various mechanisms and options outlined above are not mutually exclusive and the General Assembly may wish to select one or more of the mechanisms, reflecting the collective preferences of Member States with a view to agreeing on a more effective approach as an alternative to the existing pledging mechanism**.

Notes

[1] The funds and programmes receiving contributions from donor countries through the United Nations Pledging Conference for Development Activities have numbered about 20, with slight changes over the years. In the last Pledging Conference in 2001, funds and programmes that received contributions were the United Nations Development Programme, the United Nations Children's Fund, the United Nations Population Fund, the World Food Programme, the United Nations Capital Development Fund, the United Nations Development Fund for Women, the United Nations Volunteers — Special Voluntary Fund, the United Nations Trust Fund for the International Research and Training Institute for the Advancement of Women, the United Nations Habitat and Human Settlements Foundation, the United Nations Environment Programme, the Office of the United Nations High Commissioner for Refugees, the Fund of the United Nations International Drug Control Programme, the United Nations Crime Prevention and Criminal Justice Fund, the United Nations Institute for Training and Research, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Voluntary Fund for Victims of Torture, the Trust Fund for the Support of the Activities of the Centre for Human Rights, the United Nations Trust Fund for the Second Transport and Communications Decade in Africa, the United Nations

Trust Fund for African Development, and the United Nations Office to Combat Desertification and Drought. Some of these funds are directly administered by the United Nations Development Programme.

[2] The United Nations/Food and Agriculture Organization of the United Nations (FAO) Pledging Conference for the World Food Programme (WFP) takes place every other year, after the pledging conference for the other United Nations funds and programmes and is convened by the Secretary-General, in cooperation with the Director-General of FAO. (See, for example, para. 3 of General Assembly resolution 50/127 of 20 December 1995.)

[3] For example, the reports of the Secretary-General contained in A/48/940 and A/49/834.

[4] As compared with 124 countries in 1997, 95 in 1998 and 93 in 1999 and 2000.

[5] New Zealand, Norway, Sweden and the United States of America.

[6] See note 1 above.

[7] Decision 98/23 of the Executive Board of UNDP/UNFPA (see *Official Records of the Economic and Social Council, 1998, Supplement No. 16* (E/1998/36), annex I) set out the basic principles and purpose of the core funding strategy, and its decision 99/1 (ibid., *1999, Supplement No. 15* (E/1999/35, annex I) reinforced the earlier decision by encouraging UNDP in developing the integrated elements of the MYFF. Similarly, the MYFF of UNFPA was developed by the Executive Board of UNDP/UNFPA in its decisions 98/24 (ibid., *1998, Supplement No. 16* (E/1998/36), annex I) and 99/5 (ibid., *1999, Supplement No. 15* (E/1999/35), annex I). The UNICEF Executive Board adopted its MYFF by its decision 1999/8 (ibid., *1998, Supplement No. 15* (E/1998/35/Rev.1), annex). For further details about the origin of the MYFFs and the resource mobilization strategy of WFP, refer to the report of the Secretary-General (A/56/70-E/2001/58) entitled "Progress in the implementation of the multi-year funding frameworks and evaluation of the United Nations Development Assistance Framework".

[8] The total income for UNDP and its associated funds and programmes rose by $220 million (or 9 per cent) in 2001 to $2.6 billion, the highest level achieved to date. For the first time, income from all sources grew. Regular or core resources reversed their seven-year downward trend, growing by some 3 per cent to $652 million. Third party co-financing — which comprises funds emanating from the Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) countries and other parties, including the European Commission, for programmes and projects — grew by 19 per cent, bringing the total contributions to UNDP from donors to $1.3 billion. Programme country cost-sharing — which includes resources that programme countries entrust to UNDP to manage in support of their own development programmes — also rose by 14 per cent to 1.1 billion dollars.

[9] This campaign is complementary to the efforts that directly aim at mobilizing resources for operational activities for development of the United Nations system and — given the increasing role of the system in assisting developing countries in pursuing the millennium development goals — there is an evident link between these two types of mobilization efforts.

[10] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[11] See para. 11 of annex I of General Assembly resolution 50/227.